Contents

Preface

Chapter I	
Introduction and Examples	1
Chapter II	
The Sequential Probability Ratio Test	8
1. Definition and Examples	8
2. Approximations for $P_i\{l_N \geq B\}$ and $E_i(N)$	10
3. Tests of Composite Hypotheses	14
4. Optimality of the Sequential Probability Ratio Test	19
5. Criticism of the Sequential Probability Ratio Test and the Anscombe-	
Doeblin Theorem	22
6. Cusum Procedures	24
Chapter III	
Brownian Approximations and Truncated Tests	34
1. Introduction	34
2. Sequential Probability Ratio Test for the Drift of Brownian Motion	36
3. Truncated Sequential Tests	37
4. Attained Significance Level and Confidence Intervals	43
5. Group Sequential Tests and the Accuracy of Brownian Approximations	49
6. Truncated Sequential Probability Ratio Test	51
7. Anderson's Modification of the Sequential Probability Ratio Test	58
8. Early Stopping to Accept H_0	62
9. Brownian Approximation with Nuisance Parameters	63

v

Contents

X

CHAPTER IV	
Tests with Curved Stopping Boundaries	70
1. Introduction and Examples	70
2. Repeated Significance Tests for Brownian Motion	73
3. Numerical Examples for Repeated Significance Tests	81
4. Modified Repeated Significance Tests	86
5. Attained Significance Level and Confidence Intervals	89 93
6. Discussion 7. Some Exact Results	95 95
8. The Significance Level of Repeated Significance Tests for General One-	93
Parameter Families of Distributions	98
Chapter V	
Examples of Repeated Significance Tests	105
1. Introduction	105
2. Bernoulli Data and Applications	105
3. Comparing More than Two Treatments	111
4. Normal Data with Unknown Variance	116
5. Survival Analysis—Theory	121
6. Survival Analysis—Examples and Applications	129
Chapter VI	
Allocation of Treatments	141
1. Randomization Tests	141
2. Forcing Balanced Allocation	144
3. Data Dependent Allocation Rules	148
4. Loss Function and Allocation	150
Chapter VII	
Interval Estimation of Prescribed Accuracy	155
1. Introduction and Heuristic Stopping Rule	155
2. Example—The Normal Mean	156
3. Example—The Log Odds Ratio	159
CHAPTER VIII	
Random Walk and Renewal Theory	165
1. The Problem of Excess over a Boundary	165
2. Reduction to a Problem of Renewal Theory and Ladder Variables	167
3. Renewal Theory	168
4. Ladder Variables	172
5. Applications to Sequential Probability Ratio Tests and Cusum Tests	179
6. Conditioned Random Walks	181

Contents		X
----------	--	---

CHAPTER IX Nonlinear Renewal Theory	188
 Introduction and Examples General Theorems Applications to Repeated Significance Tests Application to Fixed Width Confidence Intervals for a Normal Mean Woodroofe's Method 	188 189 198 207 208
CHAPTER X Corrected Brownian Approximations	213
1. $P_{\mu_0}\{\tau(b) < \infty\}$ Revisited 2. Sequential Probability Ratio Tests and Cusum Tests 3. Truncated Tests 4. Computation of $E_0(S_{\tau}^2)/2E_0(S_{\tau})$	213 216 220 224
CHAPTER XI Miscellaneous Boundary Crossing Problems	229
 Proof of Theorem 4.21 Expected Sample Size in the Case of More than Two Treatments The Discrete Brownian Bridge 	229 232 234
Appendix 1 Brownian Motion	241
APPENDIX 2 Queueing and Insurance Risk Theory	245
Appendix 3 Martingales and Stochastic Integrals	248
Appendix 4 Renewal Theory	253
Bibliographical Notes	258
References	263
Index	271